

OIL & GAS CONSERVATION COMMISSION  
Meeting: January 19, 1973  
Mr. John Bannister, Exec. Sec.



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

A G E N D A

Meeting  
January 19, 1973  
4515 N. 7th Avenue, Phoenix, Arizona

10:00 a.m.

Call to order

1. Approval of minutes of meeting of December 15, 1972
2. Report of Executive Secretary
3. Report of Enforcement Section
4. Report of Geology Section
5. Old Business
6. New Business
7. Adjourn

If you are unable to attend this meeting, please notify this office as soon as possible.

*Show ones present - attendance record*

*Staff*

*Jerry Wright - 12 of 14*

*A K. Doss - State Land Dept*

OIL AND GAS CONSERVATION COMMISSION  
4515 N. 7th Avenue  
Phoenix, Arizona 85013

Minutes of Meeting  
December 15, 1972

Present:

Mr. Ralph W. Bilby, Chairman  
Mr. W. Roger Hafford,  
Vice Chairman  
Mr. Robert A. Bledsoe, Member

Absent:

Mr. F. Keith Benton, Member

The regular Commission meeting for the month of December, 1972 was called to order by Chairman Ralph Bilby at 10:00 a.m.

Minutes of the meeting of November 17, 1972 were corrected to show that the Attorney General would be requested to approve the format of the letter agreement between the Commission and Petro-Well Data Libraries, Ltd.

Reports of Executive Secretary, Enforcement Section and Geology Section were accepted.

Executive Secretary advised that the format of the letter agreement between the Commission and Petro-Well Data Libraries, Ltd., has been approved by the Attorney General, signed by Mr. Duckett of Petro-Well Data Libraries, Ltd., and, in accordance, the microfilming of the Commission well records has been completed. All confidential files were withheld and, as these become public records and as additional non-confidential material is accumulated, copies will be sent to Petro-Well Data Libraries, Ltd., for microfilming and updating of the records.

Mr. James R. Pickett, oil lease broker, requested that the Commission, either as a whole or as individual members, assist him with a grievance he has with the State Land Department. After discussion, Mr. Pickett was informed that the Commission will not intervene with the affairs of the State Land Department.

It was moved and approved that a member of the geology staff attend three out-of-state meetings of the American Association of Petroleum Geologists: 1. February 28, 1973 in Salt Lake City, Utah; 2. May 3, 1973 in Boulder, Colorado; and 3. May 14, 1973 in Anaheim, California.

Executive Secretary was instructed to submit a request to the Legislature that the Commission be allowed to charge a fee for certain of its actions and services.

Minutes of Meeting  
December 15, 1972  
Page 2

Executive Secretary was instructed to amend the Commission budget request of capital expenditures for the 1973-74 fiscal year to include a 3M 400CT Reader Printer to be used with the microfilm copies to be furnished by Petro-Well Data Libraries, Ltd.

Meeting adjourned at 11:30 a.m.

APPROVED

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Ralph W. Bilby, Chairman



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

January 10, 1973

Memo: Commissioners  
From: John Bannister

In the midst of the holidays, there has been little activity of note. In general, the State has been very quiet.

Humble has completed plugging its well southeast of Tucson and has now secured another permit for a well to be located southwest of Yuma. I am sure that Mr. Allen will make comments as to these. In all our contacts with Humble, they have shown no lessening of interest in the State due to the stratigraphic tests they have now completed.

A show of gas has been confirmed in the P&H Development well located northwest of Gila Bend in Maricopa County. While the amount of gas was not commercial when witnessed by this Commission, it is significant in that we do have a verified show of gas. This undoubtedly will call additional attention to this section of the State.

The leases held in the southern part of the State, and in particular those of Humble Oil Company, are coming up for the payment of rental. All indications are that all acreage now under oil and gas leases will be continued. There has been no indication of large releasing of acreage to date.

As was reported to you at our last meeting, an application to the State Land Department for a geothermal lease on State acreage has been made and is still pending. We continue to receive reports that an application to drill a geothermal well on private land will be made to this Commission "soon", however to date no such application has been received.

As you are aware, the Legislature has gone into session. Initially, House Bill 2006 has been introduced. This bill seeks to combine ten agencies into a new Department of Natural Resources. Undoubtedly a Senate version of a Department of Natural Resources bill will be introduced at a later date. It seems that H.B. 2006 would, in effect, combine some ten State

Memo: Commissioners  
1-10-73  
Page 3

agencies into the department and will, perhaps, be a stronger bill than the Senate version. The Senate has had an interim committee working and its bill would take approximately the same ten agencies into the new department, however the functions of the new Department of Natural Resources would probably be supervisory with no powers of enforcement. We will keep you advised as this legislation progresses.

Pursuant to the authority given me by the Commission at our last meeting, I have drafted a Commission bill designed to allow us to charge for various services such as reproducing records, furnishing maps, etc., in some amount that would cover our cost. The bill, as designed, will allow the Commission to put back into the fund from which it came so that, in effect, money would be turning over fairly constantly. Of course, at the end of the fiscal year, all monies remaining would revert to the State and have to be re-appropriated, as is now done. This bill has been designed exactly as the one approved by you gentlemen before. I have added one provision not previously discussed with you. This provision is similar to one found in our geothermal statutes and provides that, when producing property is sold or otherwise changes hands, this Commission would be notified immediately of this fact. A copy of our proposed bill is attached. We will seek to have Representative Bill Lewis, Chairman of the House Natural Resources Committee, introduce this bill as sponsored by his committee.



OFFICE OF

**Oil and Gas Conservation Commission**

STATE OF ARIZONA

4515 NORTH 7TH AVE.

PHOENIX, ARIZONA 85013

PHONE: (602) 271-5161

ACTIVITY REPORT

January 10, 1973

Memo from W. E. Allen, Director  
Enforcement Section

The energy crisis, as you are aware, has hit Arizona causing curtailment of gas deliveries to certain industrial users. This in turn is reportedly causing some layoffs. Compared to some other areas of the nation, our state is fairing very well. Attached to this report is an editorial on the energy crisis, taken from Petroleum Information. It might be of some interest to you.

Exxon Corporation, formerly Humble Oil & Refining Company, has been issued a permit for the Yuma Federal No. 1 for an 8,000' stratigraphic test located in the SW/NE Section 8-T11S-R24W, Yuma County. Road and location is presently being made.

Kerr-McGee Corporation has purchased Sections 25, 26, 35 and 36-T36N-R29E and Section 6-T35N-R30E from Humble Oil & Refining Company. This area is in the Dineh-bi-Keyah Field of Apache County and contains all of Humble's operations in this area. There are a total of four producing wells and one water disposal well involved in this purchase. For the first eleven months of 1972 the production from the four producing wells was 88,064 barrels of oil and 10,303 MCF Gas. The all time cumulative production is 1,361,115 barrels of oil and 324,801 MCF Gas. No details of this transaction have been divulged. The attached plat indicates the location of subject wells.

Kerr-McGee has recently worked over their Navajo No. 2 SE/NW Section 32-T36N-R30E, Apache County (Dineh-bi-Keyah Field). Prior to workover this well was producing an average of 62 barrels of oil and 12 barrels of water per day. Initial potential after workover was 332 BOPD and 14 BWPD. Ten days later the well was still producing 314 BOPD. If this increase in production is sustained, it could cause Kerr-McGee to initiate a remedial program in this field that could amount to a considerable increase in production.

Williams Energy Company has made a location and moved in rotary rig in preparation to drill their No. 3 storage well in the NW/NW Section 8-T18N-R24E, Apache County. Weather has prevented the spudding of this well as of now.

Page 2

W. E. Allen - Activity Report  
January 10, 1973

Universal Resources has set 4½" casing at 5,700' on their Navajo Tribal 1-15 NW/SW Section 15-T40N-R29E, Apache County. Casing has been perforated, however, testing has been suspended due to weather conditions.

Astro-Tex has also shut-down their operations on their Astro-Tex Federal No. 1 NW/NE Section 31-T5N-R17E, Gila County, due to weather. Air compressors have been moved on location this week in preparation of resuming operations on this prospect.

P & H Development, Inc., is still experiencing difficulties in the drilling of their P & H Federal No. 1 in the NW/SE Section 30-T2S-R9W. They have been on this hole for over one year. The spud date was 12-20-71.

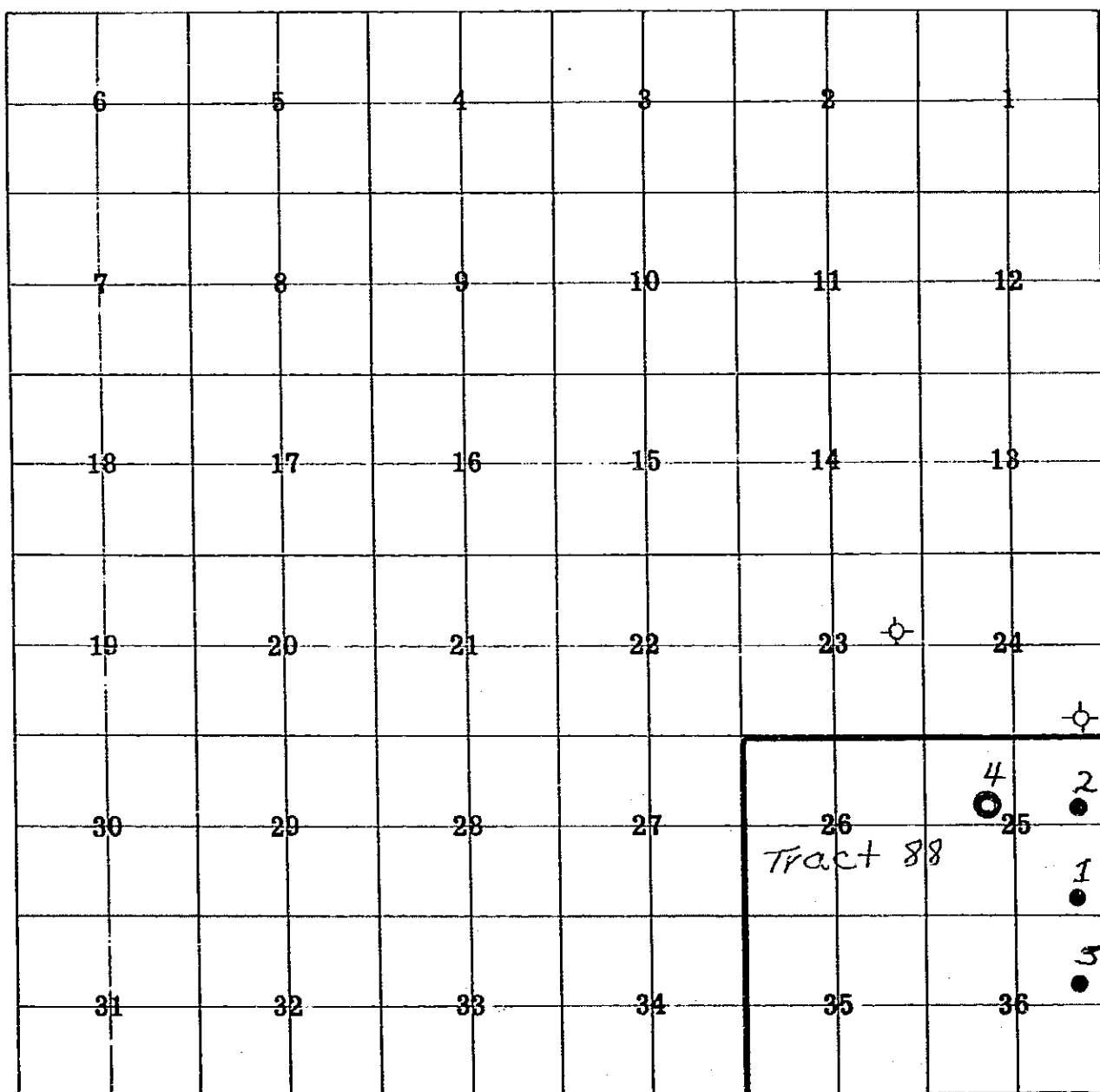
It was mentioned in my last report that Reed Nix has made application to the State Land Department for a geothermal resource lease. Mr. Nix was in the office this week attempting to enlist our support in having the Land Department expedite the issuance of the lease.

Reports continue to come in that Shell Oil Company is quietly accumulating a block of leases in Mohave and Yuma County. I continually get denials of this from representatives of Shell Oil -- time will tell.



# Township PLAT

Township 36 North - Range 29 East, Apache County



1. Producing Well
2. Producing Well
3. Producing Well
4. Water Disposal Well

Form furnished through the courtesy of  
ARIZONA TITLE GUARANTEE & TRUST COMPANY  
124-126 North First Avenue - Phoenix, Arizona

Township  
**PLAT**

Township 35 North - Range 30 East, Apache County

Tract 138	6	5	4	3	2	1
1-138	•					
2-138	○					
7	8	9	10	11	12	
18	17	16	15	14	13	
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

1-138 Producing Well  
2-138 Dry Hole P & A

Form furnished through the courtesy of  
ARIZONA TITLE GUARANTEE & TRUST COMPANY  
134-136 North First Avenue - Phoenix, Arizona



## This Week

Vol 46 No 3  
Thursday  
1-4-73

### SHORTAGE HITS HOME

The world wide tightness of product supplies, particularly heating oils, hit home this week. Twenty three of Denver's 121 public schools, lacking adequate supplies of the alternate heating fuels to supplement their low cost "interruptible" contracts for natural gas from Public Service Co of Colorado, closed. Primary scapegoat for the spot shortage, a situation that could be compounded by a continued "colder than usual" winter, is the often maligned weather. Another cause is the continued growth of the Denver metropolitan area, increasing the demand for natural gas and for the back up fuels for additional large consumers added as "interruptible" gas customers. The area's refineries are operating at full or near full capacity. Record temperature lows for those days of December were recorded December 5 and 6, 1972 and a record high of 850,422,000 cu ft of gas was consumed by Public Service customers on December 6. December also set a Denver record for the month in the number of cold days, zero or below, recorded, and probably a new record use of fuel oil for heating as well. And, for the first time in 25 years, storage facilities of the Denver public schools for the supplemental heating oils proved inadequate. Other low cost "interruptible" natural gas customers of Public Service Co were also affected and in some instances their supplemental supplies of fuel oil were reported at the breaking point. Some additional heating oil was delivered to the schools and a hospital late in the week but back up supplies are thin throughout the entire region and a break in the weather to provide everyone with some catch up time appears to be the best answer to the current problem. Public Service stressed that its residential and other customers covered by firm contracts need not worry. The basic cause of the energy shortfall, of course, goes deeper. During the past 10 years the U. S. demand for energy has increased by almost 50 per cent. Oil and gas provide 75 per cent of the energy needs. Industry spokesmen have pointed out that demand was outstripping supplies and that an energy crisis was inevitable unless preventive measures were taken. But, accustomed to seemingly unlimited supplies of low cost energy, government officials and the "man in the street" generally ignored the warnings, apparently believing that the industry was crying "wolf" without cause and, lulled into a complacent sense of security, removed rather than added the necessary incentives for stepped up programs of exploration and development. Records have been set in refinery runs several times this year but due to environmental problems, real or imagined, vitally needed new refinery capacity has not been constructed. The overall situation is not confined to the U. S. The industry is doing its best against the odds but the pinch is now beginning to surface.

## [This Week]

### FUEL CURTAILMENTS

Oil jobbers in the northeast, the Atlantic Coast and southeast marketing areas have been notified by Tenneco Inc that it is making a 30 per cent across the board reduction in heating oil deliveries. Jobbers in about 20 states in the same areas have also been notified that Tenneco will be unable to make kerosene deliveries during the first quarter of 1973. A spokesman for the company said the curtailments result from a shortage of crude oil supplies for Tenneco's only refinery at Chalmette, Louisiana. The refinery has a capacity of 90,000 bbls per day but January runs are expected to average about 70,000 bbls per day. The spokesman said the cutback will be in effect until further notice.

### NEW LEASE STIPULATIONS

The Colorado office of the Bureau of Land Management announced that future oil and gas leases issued on public lands will carry "open end" stipulations regarding surface usage to protect the environment. These will include control by federal agencies of well locations and other operations, the manner in which operations are to be conducted, type and use of vehicles, location of roads, pipelines and buildings.

### SALE APPROVED

Stockholders of Cameron Crude Oil have approved the sale of Cameron to Western Crude Oil, Denver. Tulsa based Cameron is a crude oil transporter and marketer with operations in Arkansas, Illinois, Kansas and Oklahoma. Included in the transaction is Cameron's wholly owned subsidiary, Panotex Pipe Line. Western Crude is a producer, transporter and marketer of oil, gas and petroleum products. Western Crude and Reserve Oil & Gas announced an agreement in principle last month whereby Western would merge into Reserve and become an operating subsidiary. The proposal is to be submitted to shareholders of each firm for approval.

### NEBRASKA HEARINGS SET

The Nebraska Oil and Gas Conservation Commission announced regular monthly hearing dates for 1973 along with the filing deadlines for applications to be heard at each session. Hearings, scheduled on the fourth Tuesday of each month, will be held on January 23, February 27, March 27, April 24, May 22, June 26, July 24, August 28, September 25, October 23, November 27 and December 18. Applications for each hearing must be filed about three weeks prior to the session with the 12 closing dates listed as January 2, February 5, March 5, April 2, April 30, June 4, July 2, August 6, September 4, October 1, November 5 and November 26. All hearings will be held at the Fort Sidney Motor Hotel, Sidney, Nebraska, starting at 10:00 am unless stated otherwise in the monthly case docket.



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**Oil and Gas Conservation Commission**  
STATE OF ARIZONA  
4515 NORTH 7TH AVE.  
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PHONE: (602) 271-5161

January 10, 1973

**ACTIVITY REPORT**

J. N. Conley  
Director, Geology Section

**PUBLICATIONS**

The Pinal County Well Location Map was printed in December, 1972, and is in the process of being distributed at the present time.

The drafting and tabulation for Cochise County has been completed. No definite date has been determined for publication of this map.

Distribution of previously published county well location maps, Yuma and Maricopa, has been completed. Comments received from several recipients have been very favorable.

**FOUR CORNERS REGIONAL COMMISSION**

**Technical Grants**

The grant secured for investigation of the available geophysical data in the Holbrook area of Navajo and Apache Counties, Arizona, has been expended by Dr. John Sumner and Carlos L. V. Aiken, Geophysical Laboratory, Geoscience Department, University of Arizona, Tucson. The report has been submitted to us for checking and subsequent submittal to the Four Corners Regional Commission. The report is entitled "A Study of Regional Geophysical Data in the Holbrook Area, Arizona for the State of Arizona Oil and Gas Conservation Commission". We have not yet had an opportunity to evaluate the report. A very cursory examination, however, indicates that it will be of considerable value to exploration geologists.

Messrs. Aiken and Sumner also submitted January 3, 1973, a progress report on the geophysical investigations in southeastern Arizona valleys. Considerable progress has been made on this project, but additional profiles will be necessary before final reports can be prepared.

Activity Report  
January 10, 1973  
Page Two

#### CURRENT PROJECTS

##### Pipeline Map

Original plans for this map called for presentation of major transmission lines of oil and gas and petroleum products. Recently, consideration has been given to enlarging the scope of the map to show additional energy information such as major electrical transmission lines, power generation plants, coal slurry lines, and the Black Mesa railroad for the transportation of coal. This map would be useful to Civil Defense people, environmentalists and members of other disciplines in addition to those interested in oil and gas aspects. The final format has not been determined.

\* \* \* \* \*

Subsurface geological studies are continuing in the Plateau Province by Jim Scurlock and Edward Koester.

\* \* \* \* \*

A long-range project for the presentation of water well and oil and gas well data in the Colorado Plateau Province is under way.

\* \* \* \* \*

##### Microfilm Project

Microfilming of Commission records by Petro-Well Data Libraries, Ltd. was completed prior to the Christmas holiday season.

#### GENERAL

Considerable publicity has been given geothermal research recently in the newspapers. According to an article in the Arizona Republic, Tuesday, January 9, 1973, the federal government is in the final stage of preparations to open up 58 million acres of public land, mainly in the western United States, for leasing to oil companies to drill for geothermal energy. Although power generation from geothermal resources is normally considered to be comparatively free from pollutants and adverse effects on the environment and ecology, there is still a strong possibility that environmental groups will be concerned and perhaps take action to restrict exploration. This stems from the possibility that noxious gases, such as hydrogen sulfide, sometimes associated with steam emissions, and also undesirable brines, would present disposal problems.

Activity Report  
January 10, 1973  
Page Three

Edward Koester recently reviewed a report entitled "Geothermal Energy" by Walter J. Hickel, associated with the University of Alaska. Koester feels, as do geologists associated with major oil companies, that the report covering all phases of discovery, development and exploitation of geothermal power and the problems entailed is a too-enthusiastic appraisal of our ability to develop geothermal resources in the United States at this time. Koester also believes that too much of the program will be under the supervision of non-industry personnel.

#### VISITORS

A recent visitor, Dr. Dick Rush, states that he is enthusiastic about the progress he is making on his geologic reconnaissance of southeastern Arizona and southwestern New Mexico for Mobil Oil Company. He reported that he is to present a resume of his progress to a group of Mobil geologists in Houston in a few days, after which his employers will decide if and how he is to proceed with his study.

#### RECENT GEOLOGICAL ACQUISITIONS

We have recently received from Amoco Production Company the electric logs and sample logs of nine stratigraphic holes drilled in the Heber area, Navajo County. These logs will furnish us some information concerning the thickness of the Kaibab Formation in this area and some needed subsurface structural control. The information is to be held confidential and restricted to the use of Commission personnel.

*JNC*  
J. N. C.

JNC:st

# MONTHLY FINANCIAL REPORT

1 RECEIPTS MONTH OF	2 CLASSIFICATION	3 RECEIPTS	4 APPROPRIATED RECEIPTS	5 UNAPPROPRIATED RECEIPTS	6 TOTAL ALL RECEIPTS YEAR TO DATE
Dec. 1973					
-0-	1 Permits to Drill				425 00
	2				
	3				
	4				
	5				
	6				
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	16				
	17				
-0-	TOTAL CURRENT MONTH RECEIPTS		-0-		XXXXXX
	TRANSFERS IN		-0-		
XXXXXX	BALANCES BROUGHT FORWARD			2,801 83	XXXXXX
-0-	TOTALS - MONTH AND YEAR TO DATE				425 00

6 CLAIMS PAID MONTH OF	7 EXPENDITURES FUND TITLES	8 TOTAL AMOUNT AVAILABLE YEAR TO DATE	9 CLAIMS PAID YEAR TO DATE	10 OUTSTANDING ENCUMBRANCES	11 UNENCUMBERED BALANCE
Dec 1972					
7,669 74	1 Personal Services	47,120 00	45,628 44	-	1,491 56
763 52	2 Emp. Related Exp.	5,513 00	3,821 65	-	1,691 35
227 00	3 Professional Services	1,100 00	892 00	-	208 00
305 65	4 Travel - State	4,276 00	1,967 31	706 06	1,602 63
286 15	5 Travel - Out of State	3,500 00	1,055 10	-	2,444 90
670 83	6 Other Operating Exp.	19,000 00	17,961 94	599 71	438 35
-	7 Capital Outlay-Equip.	4,310 00	-	3,424 54	385 46
	8				
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	30				
9,922 89	TOTALS	84,819 00	71,326 44	4,730 31	8,762 25



1	2	3	4
CLAIMS PAID YEAR TO DATE	OBJECT CODE NO.	DISTRIBUTION OF EXPENDITURES CLASSIFICATION	CLAIMS PAID MONTH OF Dec. 19 72
5,701.00	7111	1 Per Diem: Commission Members	150.00
45,058.44	7112	2 Salaries: Employees	7,519.74
121.40	7151	3 Industrial Insurance	
1,071.64	7153	4 F.I.C.A.	87.36
2,353.24	7155	5 Retirement	376.04
300.12	7156	6 Health Insurance	300.12
75.35	7159	7 Personnel Commission	
		8	
	7215	9 Professional Services: Engineer	
892.00	7219	10 Professional Services: Other	227.00
		11	
293.00	7221	12 Travel - State: Mileage	28.40
884.00	7222	13 Subsistence	201.00
	7223	14 Public Transp.	
743.51	7224	15 Vehicle Expense	76.25
46.80	7225	16 Reg. Fees; Parking; etc.	
		17	
344.00	7232	18 Travel - Out of State: Subsistence	93.00
621.35	7233	19 Public Transp.	177.40
	7234	20 Airport Parking	
89.75	7235	21 Reg. Fees; Telephone; etc.	15.75
		22	
12,946.22	7251	23 Occupancy: Office Rent	
	7261	24 Warehouse Rent	
	7263	25 Warehouse Mtn. & Repair	
268.00	7272	26 Mtn. & Repairs: Furn. & Equip.	122.92
1,241.24	7280	27 Office Supplies	64.22
742.84	7300	28 Field Supplies; Film; Am. Strat; P.I., etc.	131.04
982.51	7331	29 Printing: Reports; Large Maps; etc.	
	7332	30 Legal Advertisement	
24.50	7333	31 Court Reporter, Notary Commission, etc.	87.34
277.69	7334	32 Postage	257.67
1,111.67	7335	33 Telephone	
	7337	34 Drayage; Express; etc.	
67.27	7349	35 Rental, Misc.	
50.00	7360	36 Dues & Subscriptions	
		37	
	7431	38 Capital Outlay: Office Equip; Tpr; etc.	
	7434	39 Spec. Equip. (Geol.)	
	7436	40 Automobile	
		41	
250.00	7913	42 Revolving Fund	
		43	
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		55	
71,326.44		TOTAL	9,922.89

JACK WILLIAMS  
GOVERNOR



COL. CARL N. SMITH, U.S.A. RET.  
DIRECTOR

DIVISION OF EMERGENCY SERVICES  
THE CAPITOL  
PHOENIX, ARIZONA 85007  
TEL. 271-4671

December 19, 1972

Honorable Jack Williams  
Governor, State of Arizona  
The Capitol  
Phoenix, Arizona 85007

Dear Governor Williams:

A lack of heating oil, natural gas and propane has caused concern in several states. The Federal Office of Emergency Preparedness (OEP), on December 14, requested us to provide them with information on the effects any shortage of these fuels might be having on Arizona businesses and the consumer. Because of the short deadline imposed by OEP, a meeting was held on December 15 with only limited representation to determine the effects of the fuel shortage. Representatives in attendance were:

Mr. Tony Gonzales - United States Department of Agriculture.  
Mr. Larry Hastings - Salt River Project.  
Mr. Bill Page - El Paso Natural Gas Co.  
Mr. Pete Watkins - Arizona Public Service Co.  
Mr. Bill Allen - Arizona Oil and Gas Conservation Commission.  
Mr. John Bannister - Arizona Oil and Gas Conservation Commission.  
Mr. James Lind - Division of Emergency Services.  
Mr. L. E. Fitzgerald - Division of Emergency Services.

The general conclusions reached at the meeting were:

a) There is no excess of heating oil, natural gas or propane in Arizona. However, no Arizona business has been forced to shut down as a consequence of any curtailments nor has the individual consumer been affected. Local utility companies anticipate no shortage of power under present conditions, although the curtailment of delivery of natural gas has required utility companies to use alternate fuels. Unless there should be an excessive cold spell or a series of unforeseen mechanical problems, the utility companies believe they will be able to support consumer demands.

El Paso Natural Gas Co. indicated they had been reducing the delivery of natural gas, and on December 14 had curtailed delivery of 817.5 million cubic feet. On this same day they delivered 6 billion cubic feet of natural gas; however, consumer requirements were 8 billion cubic feet. This curtailment has caused certain Arizona copper-producing companies to utilize fuel oil.

-2-

Honorable Jack Williams

December 19, 1972

b) Since any utility company or business utilizes the specific fuel which affords them the best return on their investment, any curtailment does affect them economically and in turn will affect the consumer.

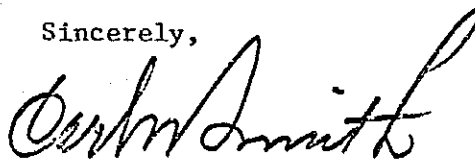
The attendees agreed that the Office of Emergency Preparedness should:

a) Encourage the Federal Power Commission to decontrol gas and fuel oil prices allowing them to reach a more realistic level. (This action will hopefully encourage the petroleum industry to search for more petroleum and gas fields.)

b) Obtain permission for the mixing of both intrastate and interstate fuels and gases as they are transported.

The Division of Emergency Services will continue to monitor and observe the supply of these fuels. Hopefully the situation in Arizona will remain as it is and not adversely affect the economy of the State or the individual consumer.

Sincerely,



Director

CC: Participating Agencies  
of 12/15/72  
Director, OEP Region 9

RECEIVED

DEC 21 1972

O & G CONS. COMM.

news bureau

THE UNIVERSITY OF ARIZONA

TUCSON 85721 • TELEPHONE (602) 884-1877

UA GEOSCIENTIST APPOINTED  
TO NATIONAL ADVISORY GROUP  
(Contact: Dick Haney)

The assistant dean of the University of Arizona College of Earth Sciences has been appointed for one year to the Academic Advisory Committee of the American Association of Petroleum Geologists.

Dr. Jerome J. Wright also is an associate professor of geosciences.

The appointment was made by James E. Wilson, president of the 15,000-member organization, largest of its kind in the world.

Wright will join some 20 other members on the committee, which includes association officers. He is the UA Geosciences Dept. liaison with the Arizona Oil and Gas Conservation Commission in Phoenix.

"The current appointment in the American Association of Petroleum Geologists is a first for a member of the UA faculty and should provide the basis for a close relationship between the two organizations," said Hugh Odishaw, College of Earth Sciences dean.

Wright previously served three years on the association's Stratigraphic Correlations Committee.

Before joining the UA faculty in 1964, Wright worked in the petroleum industry in both the United States and Canada. Positions he held include chief geologist and manager of exploration.

7212.18 dh

-30-

RECEIVED

JAN 10 1973

O & G CONS. COMM.

1096

OIL AND GAS CONSERVATION COMMISSION - A.R.S. 27-501

PROGRAM INFORMATION

/ACCOMPLISHMENTS/ Monitored the oil and gas drilling activities within the state through increased contact with operators and provided information to an increasing number of visitors concerning geology and enforcement problems.

/GOALS/ Prevent the waste of oil, natural gas, helium and geothermal energies and to enforce the state statutes and rules and regulations adopted by the Commission.

/OBJECTIVES/ Improve the flow of information between the Commission and operators so that more accurate and useful data can be obtained. Disseminate new geological information aimed at encouraging the proper and orderly development of oil and gas resources. Provide technical assistance to adequately protect fresh waters and the various formations encountered in drilling wells under jurisdiction of the Commission.

BUDGETARY ANALYSIS

/CONTINUE CURRENT PROGRAM/ The recommendations provide for the continuation of current activities with allowance for merit and price increases, as well as \$400 in new filing equipment. The additional \$100 requested for Out-of-State Travel is not recommended.

/EXPAND CURRENT PROGRAM/ \$1,600 in Operating Expenditures is requested for a new NASA photo map grid system of the state, along with \$400 for various equipment items which are recommended.

## OIL AND GAS CONSERVATION COMMISSION

GENERAL FUND	Actual 1971-1972	Continue Current Program Estimated 1972-1973	Expand Current Program Additional Program Workload Improvement	Total 1973-1974
	(Decrease)	(Decrease)		

/AGENCY'S REQUEST/

NUMBER OF POSITIONS	<u>8</u>	<u>8</u>		<u>8</u>
PERSONAL SERVICES AND RELATED COSTS	96,500	105,300	3,200	108,500
TRAVEL	8,500	12,000	100	12,100
OPERATING EXPENDITURES	31,300	34,700	700	37,000
EQUIPMENT	2,100	4,300	( 3,900)	800
	<u>138,400</u>	<u>156,300</u>	<u>100</u>	<u>158,400</u>
			<u>2,000</u>	<u>158,400</u>

/GOVERNOR'S RECOMMENDATION/

NUMBER OF POSITIONS	<u>8</u>			<u>8</u>
PERSONAL SERVICES AND RELATED COSTS	105,300	3,200		108,500
TRAVEL	12,000	700		12,000
OPERATING EXPENDITURES	34,700	( 3,900)		37,000
EQUIPMENT	4,300			800
	<u>156,300</u>		<u>2,000</u>	<u>158,300</u>